

cc: Scott
Stephen

FSC-523-A

December 28, 1994

To All Region Managers, Region Business Managers and Region Operations Managers

SUBJECT: Military Realignment

Several months ago, we established a separate military business unit which is run by Ralph Gaillard. This was in recognition of the fact that the military business is different and we are missing opportunities. The military business unit is totally responsible for delivering our military earnings and share objectives. As part of the change, we created the military sales group in order to capitalize on the differences in military, and to establish clear accountability and dedicated resources for delivering the results in this important segment of our business. We are now at a point where we need clearer and better information to evaluate the impact of our military programs on share and earnings. Thus, effective January 1, we are changing our military units and regions to a 3000 numerical series. Military accounts which now reside in the appropriate area, region and division will be moved to the new military department number. Attached is a detailed explanation of the changes.

Traditionally, these changes would cause major turf issues and in-fighting. Please understand, the military sales groups is an integral part of our sales organization. Military Sales Managers are important members of our team. Turf issues are counter-productive, divisive, and undermine business performance. They are primarily ego issues or issues of control.

I am asking for your help and support in creating a productive work environment and a cohesive team approach to our business. Please advise all employees of the military reorganization taking place and ensure that everyone understands the key role and importance that our Military Managers and the military business bring to our team and our overall business.

If you have any questions on this matter, contact your Area Vice President.

Sincerely,

Jim

Jim Maguire
Senior Vice President - Sales

Attachment

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